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COUNTRY China

CONFIDENTIAL

-DATE DISTR. 17 March 1950

SUBJECT 1. Situation, Hainan
2. Supply of Nationalist Guerrillas, China Mainland

NO. OF PAGES 1

PLACE 25X1C

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(LISTED BELOW)

DATE OF
INFO. [REDACTED] 25X1A
25X1X

SUPPLEMENT TO
REPORT NO. [REDACTED] 25X1A

1. The Chinese Communists probably will not attempt a full-scale invasion of Hainan during this season but will continue to try to infiltrate small units and supplies.
2. The Communist landing on the northwest coast of Hainan below Hsinying (109-15, 19-43) Harbor on 6 March 1950 was partially successful. Two thousand troops in 20 junks came ashore; 1,500 were killed, wounded and taken prisoner, and about 3-400 escaped with Communist guerrillas into the mountains. There was good coordination between Nationalist land and air forces in this battle and Hainan defenders appear more alert than ever.
3. HSUEH Yueh's forces are stationed at all vital points to meet any emergency, and Communist guerrillas are being squeezed into a small circle. Truck traffic between Haikou and Yulin will begin in two weeks along the east coast highway, which has been cleared of Communists.
4. The Chinese Nationalist Air Force is definitely extending the concrete airstrip at Sanya to take B-24 operations.*
5. Iron ore from the Tientu** mine still is not moving for unknown reasons. This mine is potentially a big source of income.
6. A representative from Taiwan purchased 800,000 Hong Kong dollars and piastres*** in Hong Kong to drop to Nationalist guerrillas in Kwangsi and along the Indochina border. These are almost certainly PAI Chung-hsi's troops.

25X1A [REDACTED] Comment. This is near Yulin. 25X1A

Comment. [REDACTED] concerning the purchase in
of piastres for PAI's troops in Indochina. [REDACTED] 25X1A

25X1A [REDACTED] Comment. The first three paragraphs are of interest as indicating continuing Nationalist optimism.

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